THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (c) As per the existing provision of General Financial Rules, 1963, a Head of Office is already empowered to sanction interest free advance of Rs. 2500/- to non-gazetted Government servant whose property, moveable or immovable has been substantially affected or damaged in an area affected by natural calamity. This is admissible to Central Government employees over and above whatever relief to cyclone affected people is announced by the concerned State Government.

Interest Rates on HBA

2056. SHRI GHUFRAN AZAM: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to reduce the interest rates charged on House Building Advance in view of overall reduction in landing interest rates by Banks and the Financial Institutions engaged in lending money for the house building purpose;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASHEB VIKHE PATIL): (a) to (c) The rates of interest on House Building Advance were recently revised in 1997 and these rates are already subsidized rates. There is no proposal under consideration of Government to reduce the rates of interest on House Building Advance to Government servants.

Ceiling of Income Tax relief on repayment of HBA

2057. SHRI GHUFRAN AZAM: Will the Minister of FINANCE be pleased to state:

(a) whether in view of the high cost of flats/houses etc. Government propose to enhance the limit of Rs. 10,000/- on repayment of House Building Advance in a financial year for income-Tax purpose;

(b) if so, the details thereof; and

2058. SHRI C. RAMACHANDRAIAH:
SHRI P. PRABHAKAR REDDY:

Will the Minister of FINANCE be pleased to state:

(a) whether a panel set up by the Reserve Bank of India to form guidelines for effectively controlling the activities of the Non-Banking Financial Companies and Residuary Non-Banking Companies has since submitted its reports;

(b) if so, the details thereof and the action taken by Government thereon; and

(c) whether the aforesaid guidelines would include the activities of the Agro-based Plantation Companies some of which decamped with investors' money and if not, the reasons therefore?

(c) if not, the reasons therefor and date on which the ceiling was last revised?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAYA KUMAR): (a) Under Section 88 of the Income-tax Act, an assessee is entitled to a tax rebate of 20% of sums contributed to specified saving schemes, insurance etc. The overall limit of Rs. 60,000/- under this provision also includes the amount of repayment of House Building Advance upto a maximum limit of Rs. 10,000/-.

The Government considers the limits in the ceiling of the overall investment permissible under the provision as part of budget exercise every year. The amount permissible for deduction of repayment of House Building Advance is also examined in the context of other saving instruments that are eligible for rebate. The Government response, if any, will be contained in the budget proposal.

(b) Does not arise in view of (a) above.

(c) Does not arise in view of (a) & (b) above. The ceiling limit of Rs, 10,000/- has not been revised since the Fiance Act, 1990.

Report of the Panel Set up by RBI for Controlling NBFCs Question